

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON

In the Matter of the Application
regarding the Conversion and
Acquisition of Control of Premera Blue
Cross and its Affiliates

Docket No. G02-45

SPECIAL MASTER'S PROCEDURAL
ORDER

This matter came before me on December 8, 2003 for a conference of counsel related to various pre-hearing and hearing procedures. I have considered the views of counsel presented during the conference, as well as the Commissioner's "Twenty-Third Order: Order Extending Case Schedule," dated December 15, 2003.

I have adjusted the dates discussed during the December 8 conference in light of the Commissioner's continuance of the hearing date from January 15, 2004 to March 29, 2004. I recognize that the parties may wish to seek further adjustments.

1. Pre-hearing motions and pre-hearing briefs, if any, shall be served and filed by March 19, 2004. Responses, if any, shall be served and filed by March 23, 2004. Argument on pre-hearing motions and further discussion of hearing procedures is set for 9:30 AM Thursday, March 25, 2004 at my office.

2. Stipulations as to witnesses' testimony and final lists of witnesses expected to testify at the hearing shall be served and filed by March 23, 2004.

3. The parties shall provide notice of the witnesses to be called on each hearing day as follows: Monday's witnesses shall be identified by the preceding Friday.

Tuesday's witnesses shall be identified by the preceding Sunday. Wednesday's, Thursday's and Friday's witnesses shall be identified by the preceding Monday, Tuesday and Wednesday, respectively.

4. The parties shall sequentially number all hearing exhibits (e.g., P-1, P-2, etc.) and shall attempt to coordinate exhibits to minimize duplication. By March 22, 2004, the parties shall provide three duplicate "bench" copies of all hearing exhibits to the Commissioner and one copy of all hearing exhibits to the other parties.

5. The normal hearing day will be 9:00 AM to 4:30 PM, with 15-minute mid-morning and mid-afternoon breaks and 1-hour lunch breaks, subject to adjustment to complete testimony, etc.

6. The available hearing time will be allocated as follows (based on "chess clock" timekeeping, with Premera, OIC Staff and Interveners, as a group, separately charged with the time consumed in examination of witnesses or otherwise): Premera--40%; OIC Staff--40%; Interveners--20%.

7. The order of proof (for examination of witnesses, argument, etc.) will be:
a) Premera, b) OIC Staff, c) Interveners. Witnesses may be presented out of order by agreement or for good cause shown (e.g., to accommodate schedules).

8. Witnesses will be permitted to begin their hearing testimony with direct examination in the form of short (no more than 30-minute) narratives summarizing and/or explaining their pre-filed written testimony. Such narratives may be followed by cross-examination, if any, and by re-direct examination, if any.

9. Testimony may be presented by speaker phone, assuming acceptable sound quality can be achieved.

10. The examining attorney shall identify any area of witness questioning that implicates AEO or Confidential information before going into that area.

11. Witnesses shall be presented individually (i.e., no panel testimony). *Except that*, the testimony of a given witness may be interrupted for good cause shown to present the related testimony of another witness or witnesses.

12. The Interveners shall designate one lead counsel to be primarily responsible for presenting the direct or cross examination of each witness, but need not disclose the identity of such lead counsel in advance of the witness' testimony.

DATED this 19th day of December, 2003.

George Finkle
Superior Court Judge, Retired
Special Master